

FAIR AND REASONABLE PRICE DETERMINATION

Ref: Requisition/Solicitation Number _____

1. I am recommending award to _____. I used one or more of the following checked price analysis techniques compared to the quoted price of \$_____. The quoted price was similar enough to the comparative price(s) to conclude that the quotation is fair and reasonable.

☐ Adequate Price Competition

_____ vendors were solicited and _____ quotes were received. After comparing the quoted prices, I consider the quotes to be competitive. See the Simplified Acquisition Worksheet or other record of price quotes received.

☐ Commercial Catalog or Published Price List

Manufacturer/Vendor's Name: _____

Catalog/List Title or Number: _____

Effective Date(s): _____

Page Number(s): _____

Catalog/List Price(s): _____

☐ The quoted price is the same as the catalog or published price(s) noted above and reflects prices charged to customers buying the same or similar quantities.

☐ The quoted price is lower than the catalog or published price list and is considered fair and reasonable under the circumstances of this acquisition. Explain under "Other."

☐ Established Market Price or Prices Set by Law/Regulation

The quoted price is the same as the established market price or the prices set by law or regulation or by foreign port authority as verified by: _____

FAIR AND REASONABLE PRICE DETERMINATION (continued)

☐ Historical Comparison for the Same or Similar Item(s)

Prior Contractor: _____

Order No.: _____ Date Purchased: _____

Quantity and Unit of Issue: _____

Unit Price Previously Paid: _____

Basis For Determining Prior Price Reasonable: _____

If the item(s) are not identical, explain why the comparison is
considered is considered valid: _____

☐ Other Price Analyses or Comments:

2. As the contracting officer for this pending award, I have reviewed the above pricing documentation; and do hereby make the determination that the price of the suggested quoter is fair and reasonable. I authorize the buyer to proceed with the award.

PREPARED BY: _____

(Buyer signature and date)

APPROVED BY: _____

(Contracting Office signature and date)

CHAPTER 4

DELIVERY/TASK ORDERS

1. Scope. This chapter prescribes shipboard procedures for issuing Delivery/Task Orders for supplies and services under the terms and conditions of existing indefinite delivery type contracts.

2. Indefinite Delivery Type Contracts

a. Advantages. As used in this enclosure, indefinite delivery type contracts (IDTCs) are contracts entered into by shore-based contracting organizations supporting fleet requirements. IDTCs are established when a future need for supplies and services is known; but the exact times and/or quantities of future deliveries are not known at the time of contract award. IDTCs offer the following advantages to the fleet:

(1) These contracts permit direct ordering (with flexibility in both quantities and delivery scheduling) from the contractor by ships when requirements materialize, via the issuance of Delivery/Task Orders.

(2) When issuing Delivery/Task Orders against IDTCs, the ship's contracting officers do not need to search for sources, seek competition, negotiate terms and conditions or price, include or repeat the clauses that are in the contract, or make a written determination that the prices are fair and reasonable.

b. Examples. Some examples of the types of supplies and services which may be available under IDTCs are:

(1) Husbanding services which allow the husbanding agent to subcontract with the necessary sources to provide for port services, material or personnel transporting services, consumable supplies and/or subsistence required by the ship upon entering or while staying in the port;

(2) Subsistence items including fresh meats, poultry, fish, produce and/or dairy products required by the ship;

(3) Master ship repairs and alterations of the vessel (MRAV) for overseas use, if not restricted by the TYCOM;

(4) Cargo and Propulsion Fuel in emergency situations when approval has been obtained from the Navy Petroleum Office

in coordination with the Defense Fuel Supply Center (DFSC) or COMNAVSEASYSKOM, as applicable; and their guidance for using the contract (or for procuring the fuel using simplified acquisition procedures) is followed.

c. Contract Bulletins. Contract bulletins are prepared by the contracting office which awarded the IDTC to inform the ships of the contracts which are available and also provides the ordering information, procedures and limitations. If not provided to the ship automatically, the bulletins may be requested from the customer service branch of the servicing logistics support activity for the area where the ships needs the supplies or services. The IDTC bulletins are the official source for determining:

(1) An IDTC exists which covers the required supplies or services;

(2) Which activities or ships are authorized to place orders against the contract;

(3) The maximum dollar limitations set for each Delivery/Task Order;

(4) A list of the covered items or services with unit prices established; and

(5) Locations where deliveries and time frames required in which deliveries will be made.

3. Delivery/Task Order Logs. An order log shall be maintained in the supply department for each IDTC. Data for each order shall be entered on this log as the order is issued. See example at the end of this chapter.

4. Preparation of the Delivery/Task Order. All Delivery/Task Orders must be issued on a DD Form 1155, Order for Supplies or Services. If oral orders are authorized by the contract, the DD Form 1155 may be issued after the oral order is placed (see paragraph 6). The block-by-block instructions for the completion of DD Form 1155 are provided in the table at the end of this chapter.

5. Oral Orders

a. The ship's ordering officer may issue oral orders only if it is permitted in the contract or on the contract bulletin. The oral order may not exceed the amount authorized for this ordering procedure. Order processing procedures may

only be used when all terms and requirements of the order can be communicated orally. The ordering officer must:

- (1) Identify him/herself to the contractor;
- (2) Identify the contract number;
- (3) Identify the Delivery/Task Order number that applies to the order.
- (4) Specify the contract item(s) to be furnished, include the item description so there is no misunderstanding about which CLINs are being ordered;
- (5) State quantity being ordered plus unit and extended price for each item being ordered;
- (6) Stipulate the date and time that delivery is required; and
- (7) Receive the contractor's oral acknowledgment that he/she agrees to meet deliver the items/services as stipulated.

b. Record the information about the order in the Delivery/Task Order Log for the contract.

c. Confirm the oral order in writing with a DD Form 1155. In the schedule of the DD Form 1155 above all line items, enter "CONFIRMING ORDER -- DO NOT DUPLICATE." Oral orders must be confirmed in writing within ten working days; or confirmed on a bi-monthly basis when more than one oral order is consolidated for a single confirmation.

6. Distribution of Delivery/Task Orders. Ships must develop and maintain a system for the distribution of Delivery/Task Orders. In addition to a signed copy being forwarded to the Contractor, and a copy maintained in the official contract file, other distribution should be made in accordance with NAVSUP Publications 485 and 567 and relevant TYCOM instructions.

7. Modification of Delivery/Task Orders. The procedures for all modifications are found in Chapter 9 of this enclosure.

8. Inspection and Acceptance. The procedures for inspections and acceptance are the same as any other shipboard procurement. Inspection and acceptance procedures are in Chapter 9 of this enclosure.

9. Payment Procedures. If specific payment procedures are stipulated in the contract bulletin, they shall be followed. Otherwise, the ordering officer shall stipulate the payment terms in the same fashion as required using simplified acquisition procedures (see Chapter 9).

CONTRACT BULLETIN -- SAMPLE ONLY

PORT

ALL PORTS KUWAIT

CONTRACT

N68171-95-D-A589

CONTRACTOR ADDRESS

INTERNATIONAL SHIPPING AGENCY LTD
P.O. BOX 20637
SAFAT, KUWAIT
TEL: 0965-244-1860
TLX: 22208 ISASHIP KWT
FAX: 0965-241-5732

REPRESENTATIVES

MR. HAKAN GRANANDER
TEL: 0965-539-0567
MR. MOHAMED BADAWI
TEL: 0965-564-1148

SUPPLIES AND SERVICES FOR DELIVERY TO U.S. NAVY VESSELS:

HUSBANDING SERVICES

DELIVERY PERIOD:

20 JULY 1995 THROUGH 19 JULY 1996

CURRENCY FOR PAYMENT:

IN U.S. DOLLARS, U.S. TREASURY CHECK, OR KUWAIT DINAR, IF PAYMENT IS IN U.S. DOLLARS OR TREASURY CHECK, THE RATE OF EXCHANGE TO BE USED WILL BE THE OFFICIAL RATE OF EXCHANGE AT THE BANK OF KUWAIT ON THE DAY WHICH PAYMENT IS TO BE MADE.

PAYMENT MADE BY:

THE DISBURSING OFFICER OF THE ORDERING VESSEL, OR BY THE DISBURSING OFFICER DESIGNATED TO MAKE PAYMENT FOR THE ORDERING VESSEL. IN THE EVENT PAYMENT CANNOT BE MADE PRIOR TO LEAVING PORT OR INVOICES ARE NOT RECEIVED PRIOR TO LEAVING PORT, PAYMENT WILL BE MADE BY DISBURSING OFFICER, ASU BAHRAIN. FORWARD RECEIPT OF SERVICES CERTIFIED DD 1155 TO DISBURSING OFFICER, ADMINISTRATIVE SUPPORT UNIT SWA, PSC 451, BOX 109, FPO AE 09834.

SPECIAL CONDITIONS:

UNDER THE TERMS OF THE CONTRACT, INTERNATIONAL SHIPPING AGENCY (ISA) PROVIDES FOR ALL SERVICES IDENTIFIED HEREIN AND MUST ASSIST THE SHIP IN ARRANGING FOR ANY OTHER SUPPLIES/SERVICES IT MAY REQUIRE WHILE IN PORT. ISA IS REIMBURSED AT FIXED PRICES IDENTIFIED HEREIN OR IN ACCORDANCE WITH APPLICABLE TARIFFS. FOR SUPPLIES/SERVICES WHICH ARE NOT DESCRIBED AS FIXED-PRICE OR TARIFF HEREIN, ISA IS TO COMPETITIVELY SUBCONTRACT FOR THE REQUESTED SERVICES. SUPPLY OFFICERS SHOULD VERIFY THAT COMPETITION WAS RECEIVED.

CONTRACT BULLETIN -- SAMPLE ONLY

A. ORDERING PROCEDURES

1. Commanding Officers and Supply Officers of U.S. Navy and MSC Ships are authorized to issue orders hereunder. A DD Form 1155 shall be used for this purpose and shall specify the appropriation chargeable.
2. The Contractor shall, to the maximum extent practicable, advise ordering officers and recommendations as appropriate to insure that the ship's requirements are satisfied on the most economical basis.
3. Ordering Officers are authorized to place oral orders directly to the Contractor or via ADMIN SUP BAHRAIN by a copy of the ship's Logistics Requirements (LOGREQ) message. Such orders shall constitute valid obligations of the ship. The ship will be responsible to pay the direct costs, reasonable incurred by the Contractor in response to such orders, for services performed (e.g., rental of vehicles) but not actually accepted by the ship due to delayed port arrival, cancellation of the ship's port visit, or other such causes.

B. METHOD OF OPERATION

1. Upon notification of a forthcoming visit by a U.S. fleet vessel, the Contractor shall make such preliminary arrangements as necessary with port authorities, other NRCC Naples Bahrain Support Detachment Contractors and other commercial firms as required to provide services requested by the ship. Advance notification will normally be provided by ADMIN SUPU BAHRAIN.
2. The Contractor shall board ship within 4 hours of arrival, to discuss the ship's requirements. If there are more than 3 ships, the contractor will visit each one within 24 hours. During the initial visit, the Contractor will make available translated copies of applicable port tariffs (e.g., tugs, pilots, linehandlers) current market prices for often ordered services such as dry cleaning/laundry service, drayage, vehicle rentals, and have available any other information provided by NRCC Naples Bahrain Support Detachment for distribution to ships.
3. Based upon the ship's orders, the Contractor shall arrange for the timely filling of all ship requirements. The Contractor shall follow the progress of the ship's orders to assure timely and satisfactory performance; he shall visit the ship as necessary, and at least once per day; and shall be available on call at all times to assist the ship with any problems encountered.
4. For all items which are not identified as fixed-price below, it is the Supply Officer's responsibility to ensure prices, terms, and conditions are fair and reasonable prior to accepting them. Prior to accepting and making payment for supplies and services, the Supply Officer or designated representative shall ensure that are as ordered.

SAMPLE ONLY

C. INVOICES AND PAYMENTS

Prior to the departure of the ship, the contractor shall submit to the ordering officer a summary invoice in quadruplicate supported by a paid or proforma bill from the actual supplier for each service rendered. Each supplier bill shall specify the name of the ship, service, quantity, unit price, and net extended price paid by the Contractor. The contractor's summary invoice shall contain the following information: Contractor number, name of the ship, DD 1155 number, identification of the service, quantities, unit price and extended total prices. Invoices shall be in the name of the Contractor and not any agent or subcontractor. Where the prices are governed by standard Port Authority tariffs these prices shall be used and so indicated on the summary invoice.

D. REIMBURSABLE EXPENSES

For services ordered and accepted the Contractor shall be reimbursed the net price paid or to be paid, to the actual supplier of the services as evidenced by a "paid to" or proforma invoice of the actual supplier. Where the sailing time of the vessel makes the obtaining of such supporting supplier's invoices impossible (e.g. telephone bills), the Contractor shall be reimbursed based on his best estimate of the actual bill. Such an estimate will be based on evidence of quantities accepted by the vessel. Both this estimated bill and the actual supplier's bill, subsequently obtained, shall be submitted to the Contracting Officer for record purposes.

E. INVOICE ADJUSTMENTS

Due to non-availability of actual suppliers bills, as discussed above, it may be necessary from time to time to make adjustments for disparities between reimbursements paid to the Contractor and actual costs subsequently paid by the Contractor. Such adjustments will be transacted with the ship concerned by submission of a supplemental invoice of reimbursement to the ship by check, in dollars, payable to the Treasurer of the United States. Such a supplemental invoice(s) will be in the form of a new bill for the difference involved supported by a copy of the actual bill paid by the Contractor and a copy of the original bill paid by the ship.

SERVICES AND PRICES ALL FEES IN U.S. DOLLARS

0001. HUSBANDING FEES

| <u>SHIP CLASS</u> | <u>FIRST DAY OF SERVICE</u> | <u>EACH DAY THEREAFTER</u> |
|-------------------|-----------------------------|----------------------------|
| I | 560.00 | 39.20 |
| II | 672.00 | 56.00 |
| III | 784.00 | 33.60 |
| IV | 1,064.00 | 33.60 |

SAMPLE ONLY

CONTRACT BULLETIN -- SAMPLE ONLY

0002. TRASH REMOVAL

| <u>SHIP CLASS</u> | <u>UNIT</u> | <u>PIERSIDE</u> | <u>ANCHORAGE</u> |
|-------------------|-------------|-----------------|------------------|
| I | COL | 631.80 | N/A |
| II | COL | 631.80 | 1,771.20 |
| III | COL | 631.80 | 1,771.20 |
| IV | COL | N/A | 1,771.20 |
| <u>SHIP CLASS</u> | <u>UNIT</u> | <u>PIERSIDE</u> | <u>ANCHORAGE</u> |
| I | DAY | 929.00 | N/A |
| II | DAY | 929.00 | 2,646.00 |
| III | DAY | 929.00 | 3,402.00 |
| IV | DAY | N/A | 4,806.00 |

0003. WASTE OIL AND AGGREGATE WATER REMOVAL (CUBIC METERS)

| <u>QUANTITY</u> | <u>UNIT</u> | <u>UNIT PRICE</u> |
|-------------------------|-------------|-------------------|
| PIERSIDE (MIN 1,800 GL) | GL | .11 |
| ANCHORAGE (MIN 300 GL) | GL | 4.86 |

0004. CHEMICAL HOLDING TANK (CHT)/SEWAGE REMOVAL

| <u>LOCATION</u> | <u>UNIT</u> | <u>UNIT PRICE</u> |
|-----------------|-------------|-------------------|
| PIERSIDE | GL | .10 |
| ANCHORAGE | GL | N/A |

0005. FRESH POTABLE WATER

| <u>LOCATION</u> | <u>UNIT</u> | <u>UNIT PRICE</u> |
|------------------------|-------------|-------------------|
| PIERSIDE | MT | 5.50 |
| ANCHORAGE (MIN 100 MT) | MT | 16.00 |

0006. PILOTS, TUGS, LINEHANDLERS AND BERTHING:

IAW Port Tariff.

0007. CARGO LIGHTERAGE:

| <u>QUANTITY</u> | <u>UNIT</u> | <u>UNIT PRICE</u> |
|-----------------|-------------|-------------------|
| UP TO 60 TON | HR | 918.00 |
| 60-150 TON | HR | 1,674.00 |
| OVER 150 TON | HR | 2,106.00 |

SAMPLE ONLY

IDTC/IDTPO DELIVERY ORDER LOG

CONTRACTOR: _____

CONTRACT NO. _____

ESTAB. CODE:

CAGE CODE: _____

PHONE NO.: _____

TIN: _____

PYMT TERMS: _____

SIZE: _____

[illegible]

IDTC/IDTPO D.O. LOG (continued)

[illegible]

| ORDER FOR SUPPLIES OR SERVICES (Contractor must submit four copies of invoice.) | | | | | | Form Approved OMB No. 0704-0187 Expires Jun 30, 1997 | | PAGE 1 | | | | |
|--|--|--|--|---|--------------------------------|---|----------|--|----------------|---------------------------------|-------------|--|
| <small>Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, Va 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503.</small> | | | | | | | | | | | | |
| PLEASE DO NOT RETURN YOUR FORM TO EITHER OF THESE ADDRESSES. SEND YOUR COMPLETED FORM TO THE PROCUREMENT OFFICIAL IDENTIFIED IN ITEM 6. | | | | | | | | | | | | |
| 1. CONTRACT/PURCH ORDER NO. N68171-95-D-A589 | | 2. DELIVERY ORDER NO. 03364-0001 | | 3. DATE OF ORDER (YYMMDD) 96 MAR 01 | | 4. REQUISITION/PURCH REQUEST NO. R03354-6075-9999 | | 5. PRIORITY | | | | |
| 6. ISSUED BY Supply Department USS Constellation (CV-64) FPO AP San Francisco, CA 96635-2780 POC: SKC J.P. Jones (619) 545-1212 | | | | 7. ADMINISTERED BY (if other than 6) <div style="text-align: center;">SAMPLE IDTC DELIVERY ORDER</div> | | 8. DELIVERY FOB <input checked="" type="checkbox"/> DEST <input type="checkbox"/> OTHER <small>(See schedule if other)</small> | | | | | | |
| 9. CONTRACTOR NAME AND ADDRESS INTERNATIONAL SHIPPING AGENCY LTD. P. O. BOX 20637 SAFAT, KUWAIT | | 10. DELIVER TO FOB POINT BY (Date) (YYMMDD) 96 MAR 01 | | 11. MARK IF BUSINESS IS <input type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISADVANTAGED <input type="checkbox"/> WOMAN-OWNED | | 12. DISCOUNT TERMS 13. MAIL INVOICES TO SHIP'S DISBURSING OFFICER | | | | | | |
| 14. SHIP TO CODE R03354 Supply Officer USS Constellation (CV-64) At Anchor off Port of Sufat Kuwait City, Kuwait | | | | 15. PAYMENT WILL BE MADE BY CODE R03354 DISBURSING OFFICER USS CONSTELLATION (CV-64) AT TIME OF DELIVERY. | | | | MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER | | | | |
| 16. DELIVERY <input checked="" type="checkbox"/> This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract. PURCHASE <input type="checkbox"/> Reference your _____ furnish the following on terms specified herein. ORDER ACCEPTANCE, THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME. | | | | | | | | | | | | |
| 17. ACCOUNTING AND APPROPRIATION DATA / LOCAL USE ACRN: AA 1761804.2910 000 68934 0 660951 2D 000000 FP6075999900 \$17,064.00 | | | | | | | | | | | | |
| 18. ITEM NO. | | 19. SCHEDULE OF SUPPLIES/SERVICES | | | 20. QUANTITY ORDERED/ACCEPTED* | | 21. UNIT | | 22. UNIT PRICE | | 23. AMOUNT | |
| 0001 | | Husbanding Service, First Day, Class IV | | | 1 | | DY | | \$1,064.00 | | \$ 1,064.00 | |
| 0005 | | Fresh Potable Water, at Anchorage | | | 1,000 | | MT | | \$ 16.00 | | \$16,000.00 | |
| * If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and enclose. | | | | 24. UNITED STATES OF AMERICA BY: <i>John Smith</i> CDR JOHN SMITH | | | | 25. TOTAL \$17,064.00 | | 29. DIFFERENCES INITIALS | | |
| 26. QUANTITY IN COLUMN 20 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED | | | | 27. SHIP NO. <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL | | 28. D. O. VOUCHER NO. | | 30. PAID BY | | 33. AMOUNT VERIFIED CORRECT FOR | | |
| DATE _____ SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE | | | | 31. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL | | 32. CHECK NUMBER | | 34. BILL OF LADING NO. | | 35. S/R VOUCHER NO. | | |
| 36. I certify this account is correct and proper for payment. DATE _____ SIGNATURE AND TITLE OF CERTIFYING OFFICER | | | | 37. RECEIVED AT | | 38. RECEIVED BY (Print) | | 39. DATE RECEIVED (YYMMDD) | | 40. TOTAL CONTAINERS | | |
| 41. S/R ACCOUNT NUMBER | | 42. S/R VOUCHER NO. | | 43. TOTAL CONTAINERS | | 44. S/R ACCOUNT NUMBER | | 45. S/R VOUCHER NO. | | 46. TOTAL CONTAINERS | | |

NAVSUPINST 4200.85C

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| BLOCK NO. | DD FORM 1155 -- DELIVERY/TASK ORDER BLOCK TITLES AND DATA ENTRY INFORMATION |
|-----------|--|
| 1 | CONTRACT/PURCHASE ORDER NO. -- Enter the Contract Number listed on the bulletin. For example: N00023-96-D-1234. |
| 2 | DELIVERY/TASK ORDER NO. -- Enter the ship's order number starting with the ship's UIC, followed by a dash, finished with a four digit serial number. For example: 00123-0001. Delivery/Task Order numbers should be assigned in sequential order and continue until the contract expires. If the DD1155 is confirming more than one oral order, enter "See Schedule" and enter the Delivery/Task Order numbers in the schedule. |
| 3 | DATE OF ORDER -- Enter the two position numeric year, three position alpha month, and two position numeric day. For example: 95 Oct 01 |
| 4 | REQUISITION/PURCH REQUEST NO. -- Enter the requisition number that appears on the NAVSUP 1250-2, etc. If more than one requisition applies to the order, enter "See Schedule" and list each requisition with the item's description. |
| 5 | PRIORITY -- Leave Blank. |
| 6 | ISSUED BY -- Enter the name and mailing address of the ship. In the code block, enter the ship's DoDAAD code (e.g., R00123). Directly below the address enter: Buyer/Phone: followed by the buyer's name and phone number. |
| 7 | ADMINISTERED BY -- Enter only the first six alpha numeric characters from the contract number in the code block if the contracting office has retained administration, or the code indicated on the contract bulletin. Otherwise, leave the block blank. |
| 8 | DELIVERY FOB -- Check the applicable block. |
| 9 | CONTRACTOR -- Enter the full business name and address of the contractor. |
| 10 | DELIVER TO FOB POINT BY (Date) -- If a single date of delivery applies to the entire order, enter date in this block in the same format as used in block 3. If more than one date applies, enter "See Schedule" and list delivery dates to in the schedule. |

| BLOCK NO. | DD FORM 1155 -- DELIVERY/TASK ORDER BLOCK TITLES AND DATA ENTRY INFORMATION |
|-----------|---|
| 11 | MARK IF BUSINESS -- Enter business size, if applicable. |
| 12 | DISCOUNT TERMS -- If applicable, enter the discount for prompt payment listed in by the contract bulletin. |
| 13 | MAIL INVOICES TO -- Enter the reference to the block number containing the address to which invoices should be mailed or delivered. When not in Blocks 6, 7, 14, or 15, insert "See Schedule" and enter the invoicing address in the schedule. Leave blank, if the ship's Disbursing Officer will pay upon presentation of invoice by the contractor. |
| 14 | SHIP TO -- Enter the name of the ship and the delivery address. The address should identify the location where the ship is or will be ported in terms of a street address, pier number, etc.; unless sent via U.S. mail, then enter mailing address. |
| 15 | PAYMENT WILL BE MADE BY -- Enter the name and address of the activity making payment. Enter in the Code block, the DoDAAD code of the paying office. If the ship's disbursing officer will make payment, enter the name of the ship, ATTN: Disbursing Officer; and the ship's address. |
| 16 | TYPE OF ORDER -- Check the Delivery/Task Order box. |
| 17 | ACCOUNTING AND APPROPRIATION DATA/LOCAL USE -- Enter the accounting classification and the accounting classification reference number (ACRN) as explained in NAVSUP P-485. If there is more than one line of accounting, enter "See Schedule" and enter line of accounting for each item or ACRN in the schedule. |
| 18 | ITEM NO. -- Enter the contract line item number (CLIN) that the bulletin assigned to each item being ordered. For example, you may only be ordering one item and its item number on the bulletin is 0113; then you will enter "0113" on the Delivery/Task Order. If the multiple items are ordered and the listing will not fit on the DD Form 1155, the items may be continued on an Optional Form 336 (OF336), Continuation Sheet, or plain paper. |

| BLOCK NO. | DD FORM 1155 -- DELIVERY/TASK ORDER BLOCK TITLES AND DATA ENTRY INFORMATION |
|------------------|---|
| 19 | <p>SCHEDULE OF SUPPLIES/SERVICES --</p> <p>The schedule should contain the following information, if applicable, in the order listed:</p> <p>(1) If the DD1155 is confirming one or more oral order, enter "CONFIRMING ORDER -- DO NOT DUPLICATE" before any item's description is listed.</p> <p>(2) Item Identification (i.e., purchase description).</p> <p>(3) Quantity Variance allowed if any.</p> <p>(4) Inspection/Acceptance point where the inspection and acceptance will take place (e.g., "Inspection and Acceptance shall take place at the destination").</p> <p>(5) Preservation and Packaging requirements.</p> <p>(6) Packing requirements such as preservation material, crate or skid size, etc.</p> <p>(7) Delivery Date(s) if not entered in block 10.</p> <p>(8) MARK FOR with the name of the ship, its UIC, etc. It may also include marking with requisition numbers.</p> |
| 20 | <p>QUANTITY ORDERED/ACCEPTED --</p> <p>Enter the total quantity ordered for the line item.</p> |
| 21 | <p>UNIT --</p> <p>Enter the unit of measure applicable to the line item. If unit a vague (e.g., box), define the unit in the items description.</p> |
| 22 | <p>UNIT PRICE --</p> <p>Enter the unit price applicable to the line item.</p> |
| 23 | <p>AMOUNT --</p> <p>Enter the extended dollar amount (quantity x unit price) for each line item.</p> |
| 24 | <p>CONTRACTING/ORDERING OFFICER --</p> <p>Enter the contracting officer's signature. No one may sign the order "For" or "By Direction." Only an appointed contracting/ordering officer acting within his/her delegated authority may sign the DD Form 1155.</p> |
| 25 | <p>TOTAL AMOUNT --</p> <p>Enter the total dollar amount for all line items on the order.</p> |
| 26 THRU 42 | <p>These blocks are used in the receiving and paying functions. Copies of the DD Form 1155 should be forwarded to/be available for the receivers and paying office for their use, as applicable.</p> |

CHAPTER 5

PURCHASE ORDERS

1. Scope. This chapter provides guidance on the issuance of purchase orders for supplies and services by shipboard contracting officers.

2. General. A quotation is not an offer and cannot be accepted by the ship's contracting officer to form a binding contract. When the contracting officer issues an order for supplies or services in response to a supplier's quotation, the issuance of the order itself does not establish a contract. The order is merely an offer by the contracting officer to buy certain supplies or services from the supplier under specified terms and conditions. If the contractor accepts the offer, a binding contract is formed. The purpose of this chapter is to prescribe the simplified acquisition procedures the contracting officer must follow when issuing written offers; which are called purchase orders.

3. Purchase Order Log. A purchase order log shall be maintained in the supply department. Data for each order shall be entered on this log as the order is issued. See example at the end of this chapter.

4. Numbering. Each purchase order shall be assigned a unique procurement identification number (PIIN); and these PIINs should be assigned in sequential order. The PIIN for a purchase order is a 13 digit alpha-numeric number that contains dashes between each of its four data fields. The PIIN is constructed as follows:

a. The first through the sixth symbol in the PIIN identifies the purchasing activity/ship. This 6 digit alpha-numeric data field starts with an "N" for Navy (or "M" for Marine Corps) followed by the ship's Unit Identification Code (UIC);

b. The seventh and eighth positions in the PIIN shall be the last two digits of the fiscal year in which the order is issued;

c. The ninth position indicates the type of procurement instrument being issued and shall be the letter "M" which stands for manual purchase order; and

d. The tenth through the thirteenth positions in the PIIN shall be a four digit serial number sequentially assigned by

the buyer starting with 0001 and proceeding through 9999. Each fiscal year's PIINs shall start with 0001 on the date the first purchase order is issued in that year. The following example illustrates a complete PIIN as it should appear on the purchase order:

| <u>AGENCY & UIC</u> | <u>FY</u> | <u>TYPE</u> | <u>SERIAL NUMBER</u> |
|-------------------------|-----------|-------------|----------------------|
| N00023 | - 96 | - M - | 0001 |
| (N00023-96-M-0001) | | | |

5. Types of Purchase Orders. A purchase order is issued as a unilateral or bilateral order. To determine which type of purchase order should be issued, the following guidance is provided.

a. Unilateral Purchase Order. A unilateral purchase order is an offer by the Contracting Officer to buy supplies or services. Acceptance of the unilateral offer by the contractor is by performance. This may be by proceeding to perform the work required to furnish the supplies or services; by delivering the supplies by the required delivery date; or performing the services within the period of performance. The contractor may decide not to accept the offer by simply not performing. Although the contractor is not obligated to perform, most do accept these unilateral offers and perform in a timely manner. Since this type of purchase order involves less paperwork and time consumption for both the contracting officer and the contractor, it is preferred in most cases and is the most commonly used type of purchase order.

b. Bilateral Purchase Order. A bilateral purchase order is an offer by the contracting officer which the contractor accepts by signature. In a bilateral purchase order, the contracting officer signs the DD Form 1155 and forwards it to the contractor for signature. The contractor is requested to indicate acceptance of the offer by signing the acceptance portion of block 16 on the face of the DD Form 1155. If the contractor chooses to accept the offer, he/she will sign the DD1155 and return it to the contracting officer before any performance takes place. The contractor's signature creates a contract which is binding on both parties. The contractor is now legally bound to perform in accordance with the terms and conditions of the contract. Bilateral purchase orders are not normally required; however purchase orders must be bilateral in the following cases:

- (1) A government furnished property clause is included in the order.

- (2) The purchase order is for supplies or services which are classified or require the contractor's personnel or facility to have a security clearance. In this case, a DD Form 254, Security Requirements, must be attached to the DD1155.
- (3) The order is for mortuary services.
- (4) The contracting officer decides that a bilateral order is in the best interest of the government due to the critical nature of the required supplies or services.

6. Forms

a. A purchase order shall be issued on a DD Form 1155 (DD1155), Order for Supplies or Services (unless the contracting officer is issuing an unsigned electronic purchase order as prescribed in paragraph 9 below). The block-by-block instructions for the completion of the DD1155 are provided in the table at the end of this chapter. The DD1155 may be used for the following purposes:

(1) As a purchase order; when the order is issued within the contracting officer's delegated simplified acquisition authority.

(2) As a delivery/task order; when the order is issued under the terms and conditions of a pre-established contract by appointed ordering officers.

(3) As a receiving, inspection and acceptance report; when used by members of the ship's company responsible for these duties.

(4) As a payment or public voucher record; when the ship's disbursing officer pays the supplier's invoice(s).

c. If all of the information required in the purchase order will not fit on the DD1155, the Optional Form 336 (OF336), Continuation Sheet, or plain paper may be used to continue/finish the order or modification.

7. Clause Application. The FAR and DFARS prescribe the use of clauses in DoD simplified acquisitions. Certain clauses must be incorporated into purchase orders when required by the regulations. A clause sets forth specific terms and conditions that both the Government and the contractor are required to honor. The most commonly used clauses are listed

with notes on their use in the sample clause sheets at the end of this chapter. The following explanation is provided for several clauses which are not discussed elsewhere in this chapter.

a. FAR 52.212-9, Variation in Quantity. This clause must be incorporated in any solicitation and order that requires a variation in quantity (due to allowances in the manufacturing process or the conditions of loading, shipping, or packing). The variation is negotiable, but may not exceed 10% increase or 10% decrease of the ordered quantity.

b. FAR 52.212-10, Delivery of Excess Quantities. This clause may be incorporated by reference and should be used in all purchase orders for supplies. This clause states that the contractor is to deliver the ordered quantity for each item within allowable variations, if any. If the "Variation in Quantity" clause is not included in the order, then no variations are allowed. If the contractor delivers excess quantities (after considering any allowable variance), the clause states the Government may retain the excess quantities up to \$250 in value without paying the contractor. Quantities in excess of \$250 will, at the option of the government, either be returned at the Contractor's expense or retained and paid for by the Government at the contract price. If the quantities in excess of \$250 are retained, additional funds will be obligated to cover the payment and a modification covering only those quantities over the \$250 threshold will be prepared and signed by the contracting officer citing the clause as the authority for the modification in order to support the payment for the excess quantities.

c. Government-Furnished Property Clauses. "Government-furnished property" is any equipment, material, supply, etc., owned by the Government which is furnished to a contractor to be repaired, consumed, modified, studied, etc. by the contractor's personnel. When ship's property (usually a piece of equipment) is to be removed from the ship by a contractor or delivered to the contractor's facility by the Government, the buyer must determine if a Government-furnished property (GFP) clause is required. A GFP clause must be included in the purchase order if the acquisition cost (i.e., the dollar amount which the Government paid for the property being furnished) exceeds \$100,000. Although FAR 45.106(e) no longer requires a GFP clause when the cost of the item to be repaired does not exceed \$100,000, the GFP clause may be used if the contracting officer considers it advisable. If applicable, the buyer must include one of the following GFP clauses in the

purchase order under the conditions indicated in the table below:

GOVERNMENT-FURNISHED PROPERTY CLAUSES

| Acquisition Cost of Govt Property | Competitive or Noncompetitive | Correct GFP Clause | Use is Optional/ Mandatory |
|---|-------------------------------------|---|----------------------------------|
| \$100,000 or Less | Either | FAR 52.245-4 Government-Furnished Property (Short Form) | Optional |
| Over \$100,000 | Competitive | FAR 52.245-2 Government Property (Fixed-Price Contracts) | Mandatory |
| Over \$100,000 | Noncompetitive | FAR 52.245-2 ALTERNATE I Government Property (Fixed-Price Contracts) | Mandatory |
| If Any GFP Clause Included | Either | FAR 52.245-1 Property Records | Mandatory |

c. Bilateral Clauses. Most clauses are incorporated by reference and may be used in unilateral purchase orders. Under the conditions which require a bilateral purchase order, additional clauses must be included to protect the Government's and the contractor's rights, risks and responsibilities under the contract that is formed by the signature of both parties. The sample clause sheets include the bilateral clauses (with notes on their use) which may be applicable to purchase orders issued by ships.

8. Confirming Orders. The term "confirming order" is used to describe the method of orally placing a unilateral purchase order and then confirming the order in writing. Purchase orders are normally prepared in writing and sent to the contractor via the U.S. mail, or facsimile machine; however under emergency conditions, it may be necessary to place an order with a contractor as quickly as possible. In this situation, the order may be placed orally; but must be confirmed in writing at the earliest possible date after the oral order is placed.

a. Conditions for use

(1) The requirement is a valid emergency (UMMIPS priority designators 01-06 or other similar situations requiring immediate delivery);

(2) The order is for standard commercial supplies and services which are readily available;

(3) The order does not include terms and conditions which require the supplier's written acceptance (see bilateral orders);

(4) The Supply Officer, or his/her designated representative, approves the use of this method prior to the oral order being placed with the supplier;

(5) This type of order is acceptable to the supplier;
and

(6) The ship retains all administration functions.

b. Procedures

(1) Once the buyer has selected the contractor for award, the buyer's worksheet should be annotated that an oral order is required with that contractor. The buyer will then obtain the contracting officer's approving signature to place such an order.

(2) After obtaining the approval signature on the worksheet, the buyer should call the contractor and place the order by orally providing the same information that would be included on the DD1155 to the contractor's representative. The buyer should provide at least the following information to the contractor when placing the oral order:

- (a) Purchase order number;
- (b) A complete description of the item(s) or service(s) being procured, quantity and price;
- (c) Required delivery date or period of performance;
- (d) The location where the items are to be delivered or the services are to be performed;
- (e) Transportation terms, if applicable;

- (f) Quantity discount terms, if applicable;
- (g) Prompt payment discount terms, if applicable;
- (h) Names of buyer and authorizing contracting officer; and
- (i) That the oral order is subject to all terms and conditions of the subsequent written confirming order.

(3) All oral purchase orders must be confirmed in writing by preparing a unilateral DD1155. Block 19, Schedule of Supplies or Services, should contain the following statement: "CONFIRMING ORDER - DO NOT DUPLICATE". Distribution of the confirming order must be made within 10 days of the oral order.

9. Unsigned Electronic Purchase Orders. An unsigned electronic purchase order (EPO) is a unilateral offer for supplies or services which is electronically transmitted via an official naval message to the supplier, and therefore, does not have the signature of the contracting officer on its face.

a. Conditions for use. An unsigned electronic purchase order may be issued by the ship's contracting officer when all of the following conditions are present:

- (1) Its use is more advantageous to the Government than any other simplified acquisition method;
- (2) The order does not include terms and conditions which require the supplier's written acceptance (see bilateral orders);
- (3) The contracting officer approves the use of this method prior to the message being sent;
- (4) The supplier has the capability of receiving such communications and this type of order is acceptable to the supplier; and
- (5) The ship retains all administration functions.

b. Procedures

(1) The buyer shall select the apparent awardee and annotate the buyer's worksheet that an EPO is acceptable to the contractor and is necessary to expedite the order. The

buyer will then obtain the contracting officer's approval signature to place such an order.

(2) After obtaining the approval signature on the worksheet, the buyer shall follow shipboard procedures for the preparation of a message to be sent ship to shore. The message text shall include any information that is pertinent for the contractor's understanding of the order. Information such as accounting data, business size, etc is not necessary. A DD Form 1155 shall not be prepared to confirm the order. A copy of the transmittal shall be in the purchase file as evidence that the award took place.

(3) The content of each EPO, over and above regulatory requirements, is determined by the individual acquisition. The following example of an EPO is for illustrative purposes only:

SAMPLE TRANSMITTED ELECTRONIC PURCHASE ORDER

To: Bell & Bright Co, Tokyo Division
7100 Hirohito Way
Tokyo, Japan

Re: Ur Oral GS-6886/Landack. This is firm order to furnish the following on terms specified.

Purchase Order No: N00367-96-M-4532 Date: 95 Nov 01

Terms: Net 30 days

Reqn No: R0036752640280 (USS CHICAGO CG-11)

Deliver FOB Destination by: 95 Nov 15

Ship to: USS CHICAGO CG-11

Attn: Supply Department
Pier 12 Yokosuka Naval Shipyard
Yokosuka, Japan

Mark for: USS CHICAGO CG-11

Invoice upon delivery to: Disbursing Officer, USS CHICAGO CG-11

Payment by: Disbursing Officer, USS CHICAGO CG-11

Schedule of supplies:

Item No. 1 of 1 - motor 091463 - unit price - \$143.31

Total amt: \$143.31

Mark all pkgs and papers with the purchase order number.

10. Unpriced Purchase Orders

a. Conditions for Use. An unpriced purchase order (UPO) is a purchase order for supplies or services, the price of which is not established at the time the order is issued. Unpriced purchases orders may be unilateral or bilateral

depending on the items or services being ordered. They may also be issued as confirming orders or as unsigned electronic purchase orders. However, the contracting officer may issue an unpriced order only when the following conditions exist:

(1) The purchase order shall not exceed \$50,000 or the contracting officer's delegated authority, whichever is less;

(2) It is impractical or impossible to obtain pricing in advance of issuing the purchase order; and

(3) The purchase is for:

(a) Repair services requiring disassembly of the equipment to determine the nature and extent of the repair(s);

(b) Material (i.e., supplies) which is available from only one source and for which the cost cannot be readily established; or

(c) Supplies or services when prices are known to be competitive but exact prices are not known.

b. Establishing the Monetary Limitation. An unpriced purchase order is issued with a dollar amount which the contractor is not to exceed. Since some contractors can easily take advantage of this type of pricing arrangement; the contracting officer shall exercise care and judgment in the selection of contractors who will receive these orders. In addition, a realistic monetary limitation, either on each line item or for the total order, shall be placed on the unpriced order. In order to determine a realistic monetary limitation, the buyer should ascertain as much information as possible from the requisitioner and the contractor about what costs may be involved in the final price. The following illustration contains factors that would be considered in an unpriced order for repair.

FACTORS USED TO ESTABLISH NOT-TO-EXCEED AMOUNT FOR REPAIRS

| PRICE-RELATED FACTORS EXPRESSED IN ESTIMATED NUMBERS OF -- ** | UNIT & UNIT PRICE | EXTENDED ESTIMATE |
|---|----------------------|-------------------------|
| ____ Labor Hours | \$____/HR | \$____ |
| ____ Call-Out/Trip Charges | \$____/TRIP | \$____ |
| ____ Travel Miles | \$____/MILE | \$____ |
| ____ Travel Hours | \$____/HR | \$____ |
| ____ Days with Meals included | \$____/DAY | \$____ |
| ____ Lodging Days | \$____/DAY | \$____ |
| ____ Car Rental Days | \$____/DAY | \$____ |
| ____ Airline Tickets | \$____/TICKET | \$____ |
| Possible/Probable Parts Required and the basis for the prices charged. | \$____/LOT | \$____ |
| Other Factors considered: | | |
| THE NTE PRICE IS REALISTIC BASED ON TOTAL ESTIMATED COSTS | 1 JOB | NOT TO EXCEED \$____ |

** These factors do not need to be itemized on the order, but should be kept as part of the solicitation record for use in evaluating the final invoice price. The contractor must agree to itemize each type of charge, as indicated above, on his/her service ticket/report and on the invoice.

c. Preparation of UPO. A DD Form 1155, Order for Supplies or Services, shall be prepared using the block-by-block instructions provided at the end of this chapter. A sample of a completed unpriced purchase order is also at the end of this chapter. The information which should be on the face of the form when issuing a UPO is listed below.

(1) Block 13 shall be annotated to require the contractor to send the invoice to the Contracting Officer;

(2) Block 17 should include the words "Not to Exceed" above the line of accounting data;

(3) The words "Not to Exceed" shall be entered in the schedule just above the total in block 25; and

(4) The words "Not to Exceed" or the abbreviation "NTE" should be entered above the line item amount in block 23, when only one or more of the line items is on a NTE basis.

d. Notice to Supplier Clause. In addition to the special markings on the face of the DD1155 and in addition to any other required clauses, every UPO shall contain FAR clause 52.213-3, "Notice To Supplier." This clause notifies the contractor that a firm order exists only if the price does not exceed the maximum line item or total price in the schedule. It advises the contractor that if performance cannot be done in accordance with the order, performance shall be withheld, notification given to the contracting officer, and a quotation submitted. The contractor, therefore, may not exceed the amount(s) shown on the DD1155 without first notifying and obtaining approval from the contracting officer.

e. Increasing the Monetary Limitation. If the contractor advises the contracting officer that additional funds are required in order to complete the delivery or performance on a UPO, the contracting officer must decide what action to take. The contracting officer should obtain as much additional information from the contractor as possible, in order to make a proper evaluation of the situation and additional costs. The contracting officer should also confer with the requisitioner about the situation. After all the factors are weighed, the contracting officer may decide to allow the contractor to continue to perform or may decide to have the contractor cease performance. The contracting officer's determination will result in one of the following actions:

(1) The UPO may be modified to allow the increase in price; if the new price is considered fair and reasonable

under the circumstances and the requisitioner provides additional funds, if necessary. If at all possible, the modification should change the not to exceed amount to the fixed-price which will be paid to the contractor upon completion of performance. The contracting officer should include a statement in the UPO file that includes all the information to support the decision to modify the order.

(2) If the contracting officer decides that the explanation and the new quoted price by the contractor are not reasonable, (or the funds are not available, or the costs outweigh the benefits to the Government, etc.) the contracting officer must terminate the contractor's performance. In this case, the contracting officer must tell the contractor to cease performing and to send his/her invoice for the performance up to that time. No modification should be required if the contractor has performed in accordance with the UPO terms; and the invoice that is received should not exceed the amount shown in block 25 on the DD1155. If the amount does exceed the monetary limitation, it should be returned to the contractor with an explanation that it is an improper invoice since it exceeds the authorized amount.

f. Certification of UPO Invoices. The contracting officer or his/her designated representative shall review each invoice resulting from an unpriced purchase order and certify that the price is reasonable before processing the invoice for payment. If the contractor completes performance without exceeding the monetary limitation, the invoice may be paid if the itemized charges are reasonable/accurate. If the contractor invoices less than the amount shown in block 25, the UPO need not be modified to reflect the final price.

g. Distribution of UPO. Distribution of UPOs is the same as any other purchase order. After the invoice is certified for payment, the signed original of the purchase order shall be attached to the invoice and forwarded to the Disbursing Officer for payment or to the payment office indicated on the DD1155.

h. Follow-up/Record of Status. The contracting officer is required to follow-up each unpriced order to ensure timely pricing. A suitable local record of outstanding unpriced purchase orders shall be maintained. The record shall show the order number and date, contractor, the estimated NTE amount, and date follow-up was performed, as appropriate. A file containing copies of unpriced purchase orders is the suggested method of maintaining this record.

i. Unpriced Order Review. All ships issuing unpriced purchase orders shall perform appropriate reviews of the unpriced purchase order procedures used. The purpose of the UPO review process is to ensure contractor's who receive such orders are charging fair and reasonable prices; that the buyer is properly documenting the basis for establishing the monetary limitation on the UPO; and to ensure that prompt billing is received and invoice certification is adequate is adequate. If necessary, the ship's procedures for the use of UPOs should be changed or improved based on the review process. The following reviews must take place:

(1) Realistic monetary limitations. The documentation of basis used for determining a realistic monetary limitation shall be reviewed at the time each UPO is issued. Corrective action shall be taken prior to award, if the documentation is found inadequate. Consulting with technical personnel on the estimated time and material required to accomplish the job may be necessary to improve the basis for the determination.

(2) Validity of billing prices. The validity of billing prices shall be reviewed semi-annually to provide reasonable assurance that billed prices represent the fair value of the items/services purchased. Each contractor's billing record shall be reviewed to see if the number of hours, the materials required, etc. were reasonable considering the complexity of the task required by each UPO. Billing prices shall be compared with unpriced purchase order monetary limitations for the express purpose of identifying contractors who consistently bill at 95% or more of the established monetary limitation. Suppliers whose integrity may come into question should not be considered eligible for unpriced purchase orders until such doubts are resolved.

(3) Fair and Reasonable Price Determinations. At least twice a year, the adequacy of the written fair and reasonable price determinations for UPOs which exceed \$2,500 at the time of final billing must be reviewed. In addition, the files should be reviewed to ensure a copy of the properly certifies invoice is in every UPO file. Corrective action should be taken as necessary.

(4) Outstanding UPOs. During any of the above reviews, the supply officer should take action to have the contractor send an invoice for any completed UPO for which no invoice has been received and the completion date was 30 or more days ago. The follow-up conversation should be documented in the UPO file.

11. Distribution of Purchase Orders. Ships must develop and maintain a system for the distribution of purchase orders. In addition to a signed copy being forwarded to the Contractor, and a copy maintained in the official contract file, other distribution should be made in accordance with NAVSUP Publication 485 and relevant TYCOM instructions.

12. Modification of Purchase Orders. Procedures for all modifications are found in Chapter 9 of this enclosure.

13. Inspection and Acceptance. The procedures for inspections and acceptance are the same as any other shipboard procurement. Inspection and acceptance procedures are in Chapter 9 of this enclosure.

14. Payment Procedures. Payment procedures to be used in purchase orders are discussed in Chapter 9 of this enclosure.

N _____ -M- See Log for serial number

[illegible]

P.O. LOG (continued)

[illegible]

| BLOCK NO. | DD FORM 1155 -- PURCHASE ORDER BLOCK TITLES AND DATA ENTRY INFORMATION |
|-----------|--|
| 1 | CONTRACT/PURCHASE ORDER NO. -- Enter the Purchase Order Number assigned IAW instructions in paragraph 4. For example: N00023-96-M-1234. |
| 2 | DELIVERY ORDER NO. -- Leave Blank. |
| 3 | DATE OF ORDER -- Enter the two position numeric year, three position alpha month, and two position numeric day. For example: 95 Oct 01 |
| 4 | REQUISITION/PURCH REQUEST NO. -- Enter the requisition number that appears on the NAVSUP 1250-2, etc. If more than one requisition applies to the order, enter "See Schedule" and list each requisition with the item's description. |
| 5 | PRIORITY -- Leave Blank. |
| 6 | ISSUED BY -- Enter the name and mailing address of the ship. In the code block, enter the ship's DoDAAD code (e.g., R00123). Directly below the address enter: Buyer/Phone: followed by the buyer's name and phone number. |
| 7 | ADMINISTERED BY -- Enter "See Block 6." |
| 8 | DELIVERY FOB -- Check the applicable block. |
| 9 | CONTRACTOR -- Enter the full business name and address of the contractor. If contractor has a separate payment remittance address, enter that address in the schedule entered as "REMIT TO: ..." |
| 10 | DELIVER TO FOB POINT BY (Date) -- If a single date of delivery applies to the entire order, enter date in this block in the same format as used in block 3. If more than one date applies, enter "See Schedule" in this block and list delivery or performance dates in the schedule. |
| 11 | MARK IF BUSINESS -- Enter business size, if applicable. |
| 12 | DISCOUNT TERMS -- If applicable, enter the discount for prompt payment quoted by the contractor; otherwise, leave blank. |

| BLOCK NO. | DD FORM 1155 -- PURCHASE ORDER BLOCK TITLES AND DATA ENTRY INFORMATION |
|--------------|---|
| 13 | <p>MAIL INVOICES TO --</p> <p>Enter the reference to the block number containing the address to which invoices should be mailed or delivered. When not in Blocks 6, 7, 14, or 15, insert "See Schedule" and enter the invoicing address in the schedule. Leave blank, if the ship's Disbursing Officer will pay upon presentation of invoice by the contractor.</p> |
| 14 | <p>SHIP TO --</p> <p>Enter the name of the ship and the delivery address. The address should identify the location where the ship is or will be ported in terms of a street address, pier number, etc.; unless sent via U.S. mail, then enter mailing address. If order is issued "F.o.b. Origin, Freight Prepaid" terms, also enter the applicable TAC.</p> |
| 15 | <p>PAYMENT WILL BE MADE BY --</p> <p>Enter the name and address of the activity making payment. Enter in the Code block, the DoDAAD code of the paying office. If the ship's disbursing officer will make payment, enter the name of the ship, ATTN: Disbursing Officer; and the ship's location.</p> |
| 16 | <p>TYPE OF ORDER --</p> <p>Check the Purchase Order box and enter the date and person who gave quote. For example: Reference your "Oral Quote by B. Smiley on 95 Nov 10." If purchase order is bilateral, enter a check or "X" in the box that indicates the contractor must sign the order.</p> |
| 17 | <p>ACCOUNTING AND APPROPRIATION DATA/LOCAL USE --</p> <p>Enter the accounting classification and the accounting classification reference number (ACRN) as explained in NAVSUP P-485. If there is more than one line of accounting, enter "See Schedule" and enter line of accounting for each item or ACRN in the schedule.</p> |
| 18 | <p>ITEM NO. --</p> <p>Enter a contract line item number (CLIN) for to each item being ordered starting with "0001" and continuing until all items are listed. For example, 0001 through 0101. If multiple items are ordered and the listing will not fit on the DD Form 1155, the items may be continued on an Option Form 336 (OF336), Continuation Sheet, or plain paper.</p> |
| 19 | <p>SCHEDULE OF SUPPLIES/SERVICES --</p> <p>The schedule should contain the following information, if applicable, in the order listed:</p> <p>(1) If DD1155 is confirming an oral order, enter "CONFIRMING ORDER -- DO NOT DUPLICATE" above items.</p> |

| BLOCK NO. | DD FORM 1155 -- PURCHASE ORDER BLOCK TITLES AND DATA ENTRY INFORMATION |
|------------------|---|
| 19 (cont) | (2) National Stock Number (NSN). (3) Item Identification (i.e., purchase description). (4) Quantity Variance allowed if any. (5) Inspection/Acceptance point where the inspection and acceptance will take place (e.g., "Inspection and Acceptance shall take place at the destination"). (6) Preservation and Packaging requirements. (7) Packing requirements such as preservation material, crate or skid size, etc. (8) Delivery Date(s) if not entered in block 10. (9) MARK FOR with the name of the ship, its UIC, etc. It may also include marking with requisition numbers. |
| 20 | QUANTITY ORDERED/ACCEPTED -- Enter the total quantity ordered for the line item. |
| 21 | UNIT -- Enter the unit of measure applicable to the line item. If unit is vague (e.g., box), define the unit in the item's description. |
| 22 | UNIT PRICE -- Enter the unit price applicable to the line item. |
| 23 | AMOUNT -- Enter the extended dollar amount (quantity x unit price) for each line item. |
| 24 | CONTRACTING/ORDERING OFFICER -- Enter the contracting officer's signature. No one may sign the order "For" or "By Direction." Only an appointed contracting/ordering officer acting within his/her delegated authority may sign the DD Form 1155. |
| 25 | TOTAL AMOUNT -- Enter the total dollar amount for all line items on the order. If order is unpriced, enter "Not to Exceed" above this amount. If order is under "F.o.b. Origin, Freight Prepaid" terms, enter "Plus Transportation" above this amount. |
| 26 THRU 42 | These blocks are used in the receiving and paying functions. Copies of the DD Form 1155 should be forwarded to/be available for the receivers and paying office for their use, as applicable. |

NAVSUPINST 4200.85C

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| ORDER FOR SUPPLIES OR SERVICES (Contractor must submit four copies of invoice.) | | | | | | Form Approved OMB No. 0704-0187 Expires Jun 30, 1997 | PAGE | |
|--|-----------------------------------|--|--|--------------------------------------|--|--|------------------------|------------|
| <small>Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, Va 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503.</small> PLEASE DO NOT RETURN YOUR FORM TO EITHER OF THESE ADDRESSES. SEND YOUR COMPLETED FORM TO THE PROCUREMENT OFFICIAL IDENTIFIED IN ITEM 6. | | | | | | | | |
| 1. CONTRACT/PURCH ORDER NO. | | 2. DELIVERY ORDER NO. | | 3. DATE OF ORDER (YYMMDD) | | 4. REQUISITION/PURCH REQUEST NO. | | |
| 6. ISSUED BY | | CODE | | 7. ADMINISTERED BY (If other than 6) | | CODE | | |
| 9. CONTRACTOR NAME AND ADDRESS | | CODE | | FACILITY CODE | | 10. DELIVER TO FOB POINT BY (Date) (YYMMDD) | | |
| | | | | | | 12. DISCOUNT TERMS | | |
| | | | | | | 13. MAIL INVOICES TO | | |
| 14. SHIP TO | | CODE | | 15. PAYMENT WILL BE MADE BY | | CODE | | |
| 16. TYPE OF ORDER | | This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract. Reference your _____ furnish the following on terms specified herein. ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME. | | | | | | |
| | | <input type="checkbox"/> NAME OF CONTRACTOR _____ SIGNATURE _____ TYPED NAME AND TITLE _____ DATE SIGNED _____ If this box is marked, supplier must sign Acceptance and return the following number of copies: | | | | | | |
| 17. ACCOUNTING AND APPROPRIATION DATA / LOCAL USE | | | | | | | | |
| 18. ITEM NO. | 19. SCHEDULE OF SUPPLIES/SERVICES | | | | 20. QUANTITY ORDERED/ACCEPTED* | 21. UNIT | 22. UNIT PRICE | 23. AMOUNT |
| | | | | | | | | |
| * If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle. | | | | | 24. UNITED STATES OF AMERICA | | 25. TOTAL | |
| 26. QUANTITY IN COLUMN 20 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED DATE _____ SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE _____ 36. I certify this account is correct and proper for payment. DATE _____ SIGNATURE AND TITLE OF CERTIFYING OFFICER _____ | | | | | 27. SHIP. NO. | | 28. D. O. VOUCHER NO. | |
| | | | | | <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL | | 32. PAID BY | |
| 31. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL | | | | | 33. AMOUNT VERIFIED CORRECT FOR | | 29. DIFFERENCES | |
| | | | | | | | INITIALS | |
| 37. RECEIVED AT 38. RECEIVED BY (Print) 39. DATE RECEIVED (YYMMDD) | | | | | 40. TOTAL CONTAINERS | | 34. CHECK NUMBER | |
| | | | | | | | 35. BILL OF LADING NO. | |
| 41. S/R ACCOUNT NUMBER 42. S/R VOUCHER NO. | | | | | 43. TOTAL CONTAINERS | | 44. S/R ACCOUNT NUMBER | |
| | | | | | | | | |

CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED

PAGE

NAME OF OFFEROR OR CONTRACTOR

| ITEM NO. | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|----------|-------------------|----------|------|------------|--------|
| | | | | | |

NSN 7540-01-152-8067

50336-101

★ U.S. Government Printing Office: 1988-201-760/88100

Enclosure (3)

5-22

OPTIONAL FORM 336 (4-86)
Sponsored by GSA
FAR (48 CFR) 53.110

-M-
Page ____ of ____

The following checked (☒) CLAUSES are hereby incorporated in this Purchase Order.

- ☒ FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE
(JUN 1988)

This order incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

- ☒ FAR 52.203-3 GRATUITIES (APR 1984)
☒ FAR 52.225-11 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES
(MAY 1992)
☒ FAR 52.233-1 DISPUTES ALT I (MAR 1994 and DEC 1991)
☒ FAR 52.233-3 PROTESTS AFTER AWARD (AUG 1989)
☒ FAR 52.232-1 PAYMENTS (APR 1984)
☒ FAR 52.232-8 DISCOUNTS FOR PROMPT PAYMENT (APR 1989)
☒ FAR 52.232-11 EXTRAS (APR 1984)
☒ FAR 52.232-25 PROMPT PAYMENT (MAR 1994)

The following clauses are hereby incorporated in this Purchase Order, if the order is for supplies or services involving the furnishing of supplies.

- ☒ FAR 52.212-10 DELIVERY OF EXCESS QUANTITIES (SEP 1989)
☒ FAR 52.246-1 CONTRACTOR INSPECTION REQUIREMENTS
(APR 1994)
☒ FAR 52.246-16 RESPONSIBILITY FOR SUPPLIES (APR 1984)

The following clauses, if checked, will apply to this order.

- ☐ FAR 52.212-9 VARIATION IN QUANTITY (APR 1984)
(Item Numbers _____
_____% Increase, ____% Decrease)
- ☐ FAR 52.213-3 NOTICE TO SUPPLIER (APR 1984)
- ☐ FAR 52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND
MATERIAL SAFETY DATA (NOV 1991)
- ☐ DFARS 252.223-7001 HAZARDOUS WARNING LABELS (DEC 1991)
- ☐ FAR 52.247-30 F.O.B. ORIGIN, CONTRACTOR'S FACILITY
(APR 1984)

NAVSUPINST 4200.85C

☐ FAR 52.247-32 F.O.B. ORIGIN, FREIGHT PREPAID (JUN 1988)

Estimated Freight Amount: _____

From City & State: _____

☐ FAR 52.247-34 F.O.B. DESTINATION (NOV 1991)

The following clauses, if checked, are hereby incorporated in this Purchase Order, and require the use of a bilateral order as indicated by the contractor's signature in Block 16 on the DD Form 1155.

☐ FAR 52.245-1 PROPERTY RECORDS (APR 1984)

(Select One)

☐ FAR 52.245-2 GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) (DEC 1989)

☐ FAR 52.245-2 GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) ALTERNATE I (APR 1984)

☐ FAR 52.245-4 GOVERNMENT-FURNISHED PROPERTY (SHORT FORM) (APR 1984)

(Select One)

☐ FAR 52.249-1 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) (SHORT FORM) (APR 1984)

[Applies to order for Supplies or Services with Supplies]

☐ FAR 52.249-4 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (SERVICES) (SHORT FORM) (APR 1984)

[Applies to Services with no supplies]

☐ FAR 52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) (APR 1984) [Applies to all]

| | | | | | | | | | |
|---|---|-----------------------|----------------------------|--|--|--|------------------------|--|---------------------------------|
| ORDER FOR SUPPLIES OR SERVICES (Contractor must submit four copies of invoice.) | | | | | | Form Approved OMB No. 0704-0187 Expires Jun 30, 1997 | | PAGE 1 of 2 | |
| Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, Va 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503. | | | | | | | | | |
| PLEASE DO NOT RETURN YOUR FORM TO EITHER OF THESE ADDRESSES. SEND YOUR COMPLETED FORM TO THE PROCUREMENT OFFICIAL IDENTIFIED IN ITEM 6. | | | | | | | | | |
| 1. CONTRACT/PURCH ORDER NO. N00023-96-M-5345 | | 2. DELIVERY ORDER NO. | | 3. DATE OF ORDER (YYMMDD) 96 MAR 01 | | 4. REQUISITION/PURCH REQUEST NO. N00023-6075-9999 | | 5. PRIORITY | |
| 6. ISSUED BY Purchase Department Naval Supply Systems Command 1931 Jefferson Davis Highway Arlington, VA 22241-5360 POC: E. Robinson, 21G, (703) 607-0712 | | | | 7. ADMINISTERED BY (If other than 6) <div style="text-align: center;">SAMPLE UNPRICED PURCHASE ORDER</div> | | 8. DELIVERY FOB <input checked="" type="checkbox"/> DEST <input type="checkbox"/> OTHER (See schedule if other) | | | |
| 9. CONTRACTOR NAME AND ADDRESS Vortex Systems, Inc. 1234 Vortex Way Bethesda, Maryland 12345-9999 | | | | FACILITY CODE | | 10. DELIVER TO FOB POINT BY (Date) (YYMMDD) See Schedule | | 11. MARK IF BUSINESS IS <input checked="" type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISADVANTAGED <input type="checkbox"/> WOMAN-OWNED | |
| 14. SHIP TO Facilities Manager Naval Supply Systems Command 1931 Jefferson Davis Hwy, 6th Floor Arlington, VA PH: (703) 607-9999 | | | | 15. PAYMENT WILL BE MADE BY CODE HQ0103 | | 13. MAIL INVOICES TO CONTRACTING OFFICER AT BLOCK 6 ADDRESS | | | |
| 16. DELIVERY TYPE OF ORDER <input checked="" type="checkbox"/> This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract. <input type="checkbox"/> Reference your Telequote by P. Smith on 96 Feb 29 furnish the following on terms specified herein. ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME. | | | | | | | | | |
| <div style="display: flex; justify-content: space-between;"> <div>NAME OF CONTRACTOR</div> <div>SIGNATURE</div> <div>TYPED NAME AND TITLE</div> <div>DATE SIGNED</div> </div> <div style="display: flex; justify-content: space-between;"> <div><input type="checkbox"/> If this box is marked, supplier must sign Acceptance and return the following number of copies:</div> <div></div> </div> | | | | | | | | | |
| 17. ACCOUNTING AND APPROPRIATION DATA / LOCAL USE ACRN AA: 1761804.2910 000 00612 0 00612 2D 281160 FP6075999900 NOT TO EXCEED: \$2350.00 | | | | | | | | | |
| 18. ITEM NO. | 19. SCHEDULE OF SUPPLIES/SERVICES | | | | 20. QUANTITY ORDERED/ACCEPTED* | 21. UNIT | 22. UNIT PRICE | 23. AMOUNT | |
| 0001 | Services, labor and material for the repair of (1) Vortex model 31-1CW Motor, ser. no. 310795A Repair to include rewinding stator and rotor; and replacing main bearing. Period of Performance: 96 MAR 06 thru 96 MAR 07 Inspection and Acceptance at Destination. | | | | 1 | JOB | \$2,350.00 | \$2,350.00 | |
| * If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and enclose. | | | | | 24. UNITED STATES OF AMERICA BY: <i>W. P. Mack</i> W. P. MACK | | 25. TOTAL | \$2,350.00 | |
| 26. QUANTITY IN COLUMN 20 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED | | | | | 27. SHIP. NO. <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL | | 28. D. O. VOUCHER NO. | | 29. DIFFERENCES |
| DATE SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE | | | | | 31. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL | | 32. PAID BY | | 33. AMOUNT VERIFIED CORRECT FOR |
| 36. I certify this account is correct and proper for payment. | | | | | | | 34. CHECK NUMBER | | 35. BILL OF LADING NO. |
| DATE SIGNATURE AND TITLE OF CERTIFYING OFFICER | | | | | 40. TOTAL CONTAINERS | | 41. S/R ACCOUNT NUMBER | | 42. S/R VOUCHER NO. |
| 37. RECEIVED AT | 38. RECEIVED BY (Print) | | 39. DATE RECEIVED (YYMMDD) | | | | | | |

The following checked (☒) Clauses are hereby included in this Purchase Order:

☒ FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This order incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

- ☒ FAR 52.203-3 GRATUITIES (APR 1984)
- ☒ FAR 52.222-3 CONVICT LABOR (APR 1984)
- ☒ FAR 52.225-11 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (MAY 1992)
- ☒ FAR 52.232-8 DISCOUNTS FOR PROMPT PAYMENT (APR 1989)
- ☒ FAR 52.232-25 PROMPT PAYMENT (MAR 1994)
- ☒ FAR 52.233-1 DISPUTES (MAR 1994)
- ☒ FAR 52.233-3 PROTESTS AFTER AWARD (AUG 1989)

NOTE: If this order is "Unpriced" as indicated by the words "Not to Exceed" or the abbreviation "NTE" in the schedule, the following clause is hereby incorporated in this Purchase Order:

☒ FAR 52.213-3 NOTICE TO SUPPLIER (APR 1984)

This is a firm order only if your price does not exceed the maximum line item or total price in the Schedule. Submit invoices to the Contracting Officer. If you cannot perform in exact accordance with this order, WITHHOLD PERFORMANCE and notify the Contracting Officer immediately, giving your quotation. (End of clause)

SAMPLE ONLY

CHAPTER 6

BLANKET PURCHASE AGREEMENT CALLS

1. Scope. This chapter prescribes procedures to be used by ships that are authorized to place calls against previously established blanket purchase agreements (BPAs).

2. Establishing the Authority to Use BPAs

a. A blanket purchase agreement (BPA) is a agreement to have a "charge account" with a supplier who will furnish specific categories of supplies or services under pre-arranged terms and conditions. BPAs are established by shore contracting activities which provide logistical support to ships. Ships may not establish BPAs.

b. BPAs are only appropriate for shipboard use when the ship will have repetitive requirements that cannot be acquired in a timely fashion by shore-based logistics support personnel. Under the appropriate conditions, use of BPAs is encouraged since orders charged to BPAs are normally made verbally over the phone; thereby eliminating the need for individual written purchase orders.

c. Upon written request of the ship's commanding or supply officer, a servicing logistics support activity may establish BPAs for the ship, or a ship may be authorized to use a shore activity's previously established BPAs. The ship's request should contain the following information:

(1) Commodity. Type of supplies or services required on a repetitive basis.

(2) Supplier. Suggested source(s) known to provide the needed supplies or services. To the maximum extent possible, more than one source should be suggested so multiple BPAs may be established at the same time.

(3) Period of Performance. Period of time during which the supplies or services will be needed.

(4) BPA Callers. Name(s) of individual(s) for whom authority is requested to place calls against the BPA and the maximum dollar limitation that shall be authorized for each BPA call.

(5) Paying Activity. Name and address of the activity authorized to make payments on behalf of the ship.

3. Blanket Purchase Agreements in General. If the ship's request is approved, the shore activity will negotiate and award the BPA(s) and/or will authorize the ship to use previously established BPAs. The ship and the designated paying activity shall be provided copies of each BPA (or a summary or an instruction containing all the terms and conditions of the BPAs) the ship is authorized to use. Because the issuing contracting officer has already received each contractor's agreement to honor certain terms and conditions contained in the BPA, authorized BPA callers normally place their orders orally over the phone and do not have to negotiate the terms and conditions that were included in the basic agreement. A sample BPA with applicable terms and conditions is provided at the end of this chapter. BPA callers should become familiar with all terms and conditions prior to using this method.

4. List of BPA Callers. A list of individuals appointed to place BPA calls must be maintained by the ship. A copy of the list must be submitted to each shore activity that issued the BPAs the ship is authorized to use. The ship must immediately notify these same activities as the list is changed or updated.

5. Purchases under BPAs

a. Requirements screening prior to placement of calls. As with any other method, prior to placing calls against the BPA, each requirement shall be screened for availability from the supply system.

b. Solicitation Procedures. The applicable solicitation and evaluation procedures in Chapter 3 apply. If the contractor who otherwise qualifies for the award does not have a BPA, the contractor shall be awarded the order using some other simplified acquisition method. The authority to use BPAs does not allow the ship to preclude other qualified sources from award.

c. Placement of BPA calls. BPA calls will normally be placed by telephone. Written calls can be made on the DD Form 1155 but are discouraged.

d. Documentation of BPA calls. Each BPA call shall be documented on the purchase request (requisition) or on a buyer's worksheet (see worksheets at the end of Chapters 3 and 4). The documentation must include the following:

- (1) BPA number;
- (2) Call number;
- (3) Date of call;
- (4) Date of required delivery or performance;
- (5) Description of the items ordered;
- (6) Quantities;
- (7) Unit and extended prices of each item; and total price for the call;
- (8) Transportation terms, and, if applicable TAC and estimated price of transportation;
- (9) Signature of person placing call.

e. Distribution of calls. The annotated purchase request, and/or worksheet shall be distributed in accordance with NAVSUP Publication 485, relevant TYCOM instructions, and local shipboard requirements.

f. Receipt of material. When delivery is made or services are performed, the contractor's sales document, delivery ticket, or invoice (if it reflects the essential elements) may be used for recording receipt and acceptance of the supplies or services.

g. Call Number. BPA calls are normally identified by a four position numeric call number assigned by the activity which authorized the ship to use the BPA. However, if no such assignment is made, then the ship's BPA calls shall be numbered with the ship's call number starting with the ship's UIC, followed by a dash, finished with a four digit serial number. For example: 00123-0001. The serial numbers for each separate BPA's calls beginning with 0001 and proceed through 9999. BPA call numbers should be assigned in sequential order and continue until the BPA itself expires or is updated.

h. BPA Logs. Calls shall be recorded on a BPA log similar to the one shown at the end of this chapter. A log shall be established for each BPA which is used.

6. Annual Review of BPA calls. The Supply Officer or his/her designated representative shall annually review the calls placed during the reporting period stipulated by the activity which issued the BPA. The annual review of the BPAs used shall be conducted as follows:

a. The review will ensure that:

(1) Mandatory sources of supply are not being circumvented (ignored);

(2) Calls are being distributed equitably among qualified suppliers or being competed, if required;

(3) Calls are being placed only by authorized personnel within their established monetary limitations;

(4) Requirements are not being split;

(5) BPA calls are adequately documented (e.g., call record information and appropriate signatures; justification for exception to mandatory supply sources; record of firms solicited and responses received and/or price reasonableness documentation for calls over \$2,500; and sole source justification).

b. The annual review shall also examine the frequency of use of the BPA being reviewed. If the review shows that no calls, or very few calls are placed (and calls are otherwise being equitably distributed) then consider asking the contracting activity which issued the BPA to cancel it.

c. If circumstances warrant, the annual review of BPAs may be limited to 50 percent of the BPAs used. In any event, all BPAs will have been reviewed at least once in a two (2) year period.

d. The results of each reviewed BPA shall be recorded on a BPA Call Review Report (NAVSUP Form 1328). A copy of the completed form shall be placed in the BPA file. The signed original of each completed NAVSUP Form 1328 will be forwarded to the contracting officer who issued the BPA within 25 days after completion of the review. See the sample NAVSUP Form 1328 at the end of this chapter.

| ORDER FOR SUPPLIES OR SERVICES (Contractor must submit four copies of invoice.) | | | | | | Form Approved OMB No. 0704-0187 Expires Jun 30, 1997 | | PAGE 1 | | | |
|---|--|-------------------------|-----------------------|--|---|---|----------------------------------|--|-------------|----------------------------------|--|
| <small>Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, Va 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503.</small> PLEASE DO NOT RETURN YOUR FORM TO EITHER OF THESE ADDRESSES. SEND YOUR COMPLETED FORM TO THE PROCUREMENT OFFICIAL IDENTIFIED IN ITEM 6. | | | | | | | | | | | |
| 1. CONTRACT/PURCH ORDER NO. N00023-96-A-1234 | | | 2. DELIVERY ORDER NO. | | 3. DATE OF ORDER (YYMMDD) 96 OCT 01 | | 4. REQUISITION/PURCH REQUEST NO. | | 5. PRIORITY | | |
| 6. ISSUED BY Purchase Department Naval Supply Systems Command 1931 Jefferson Davis Highway Arlington, VA 22241-5360 POC: E. Robinson, 21G, (703) 607-0712 | | | | 7. ADMINISTERED BY (If other than 6) | | 8. DELIVERY FOR <input type="checkbox"/> DEST SEE <input type="checkbox"/> OTHER SCHED (See schedule if other) | | | | | |
| 9. CONTRACTOR NAME AND ADDRESS ABC Corporation 1010 Any Street Anywhere, PA 22222-9999 | | | | FACILITY CODE | | 10. DELIVER TO FOB POINT BY (Date) (YYMMDD) AS AGREED AT TIME OF CALL | | 11. MARK IF BUSINESS IS <input type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISAD- VANTAGED <input type="checkbox"/> WOMAN-OWNED | | 12. DISCOUNT TERMS 1% 20 DAYS | |
| | | | | | | 13. MAIL INVOICES TO ADDRESS STIPULATED BY AUTHORIZED: BPA CALLER | | | | | |
| 14. SHIP TO CODE AS STIPULATED AT TIME OF BPA CALL | | | | 15. PAYMENT WILL BE MADE BY CODE PAYMENT OFFICE STIPULATED BY AUTHORIZED BPA CALLER | | | | MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER | | | |
| 16. DELIVERY TYPE OF ORDER <input checked="" type="checkbox"/> PURCHASE This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract. Reference your BLANKET PURCHASE AGREEMENT ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME. | | | | | | | | | | | |
| 17. ACCOUNTING AND APPROPRIATION DATA / LOCAL USE ABC Corporation <i>A.B. Ceah</i> A.B. Ceah, President 96 Oct 01 NAME OF CONTRACTOR SIGNATURE TYPED NAME AND TITLE DATE SIGNED <input checked="" type="checkbox"/> If this box is marked, supplier must sign Acceptance and return the following number of copies: 1 | | | | | | | | | | | |
| 18. ITEM NO. 19. SCHEDULE OF SUPPLIES/SERVICES 20. QUANTITY ORDERED/ACCEPTED* 21. UNIT 22. UNIT PRICE 23. AMOUNT | | | | | | | | | | | |
| 1. Description of Agreement. This Blanket Purchase Agreement (BPA) is for ELECTRICAL SUPPLIES AND SERVICES which the contractor may deliver to the Government if and when requested by the Contracting Officer or authorized BPA Callers. This BPA shall be in effect for an indefinite period of time commencing 96 OCTOBER 01. 2. Extent of Obligation. The Governmental is not obligated to place any calls under this BPA. The Government is only obligated to the extent that authorized calls are placed. 3. Contractor's Billing Period: The contractor shall submit invoice on 25th of each month. | | | | | | | | | | | |
| * If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and enclose. | | | | | | | | | | | |
| 24. UNITED STATES OF AMERICA <i>W. P. Mack</i> BY: W. P. MACK CONTRACTING/ORDERING OFFICER | | | | | | 25. TOTAL | | 29. DIFFERENCES | | | |
| 26. QUANTITY IN COLUMN 20 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED | | | | | | 27. SHIP. NO. | | 28. D. O. VOUCHER NO. | | 30. INITIALS | |
| DATE SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE | | | | | | <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL | | 32. PAID BY | | 33. AMOUNT VERIFIED CORRECT FOR | |
| 35. I certify this account is correct and proper for payment. | | | | | | 31. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL | | | | 34. CHECK NUMBER | |
| DATE SIGNATURE AND TITLE OF CERTIFYING OFFICER | | | | | | | | | | 35. BILL OF LADING NO. | |
| 37. RECEIVED AT | | 38. RECEIVED BY (Print) | | 39. DATE RECEIVED (YYMMDD) | | 40. TOTAL CONTAINERS | | 41. S/R ACCOUNT NUMBER | | 42. S/R VOUCHER NO. | |

CONTINUATION OF DD FORM 1155 for BLANKET PURCHASE AGREEMENT

4. PRICING. The prices to the Government for all acquisitions made under this agreement shall be as low as, or lower than, those charged the supplier's most favored customer for comparable quantities under similar terms and conditions in addition to any discounts for prompt payment.

5. PURCHASE LIMITATION. No call placed under this agreement shall exceed \$100,000 or the BPA Caller's delegated call limitation, whichever is less.

6. NOTICE OF INDIVIDUALS AUTHORIZED TO PURCHASE UNDER THE BPA AND DOLLAR LIMITATIONS. A list by position title or by name of individuals authorized to place calls under this agreement, identified by organizational component, and the dollar limitation per call for each position title or individual will be furnished separately to the supplier by the contracting officer.

7. DELIVERY TICKETS. All shipments under this agreement shall be accompanied with delivery tickets, or sales slips, in triplicate which shall contain the following minimum information:

- a. Name of supplier;
- b. Blanket Purchase Agreement number;
- c. Date of call;
- d. Call number;
- e. Itemized list of supplies or services furnished;
- f. Quantity, unit price and extension of each item less applicable discounts (unit prices and extension need not be shown when incompatible with the use of automated systems, provided that the invoice is itemized to show this information); and
- g. Date of delivery or shipment.

Upon delivery, the receiving activity will retain one copy of the related delivery ticket and will sign the other two copies and return them to the supplier or supplier's agent. One of these copies may subsequently be required to support the invoice.

8. INVOICES. A summary invoice, in quadruplicate, shall be submitted at least monthly for all deliveries made during a billing period, identifying the delivery tickets covered therein, stating their total dollar value and supported by receipt copies of the delivery tickets. Invoices will be

submitted in accordance with vendor's invoicing (billing) period as agreed to by the Government.

9. FAST PAY CALLS. When appropriate, and when agreed upon by an authorized caller and the contractor, FAR clause 52.213-1 "Fast Payment Procedures" (AUG 1988) applies. Individual invoicing is authorized under Fast Pay Orders. Invoices shall be submitted directly to the paying office indicated at the time the call is placed.

10. USE OF UNPRICED CALLS WITH BPAs. When appropriate, unpriced calls may be authorized in conjunction with blanket purchase agreements. Blanket purchase agreements established and provided for the placing of unpriced calls shall include the clause at FAR 52.213-3 "Notice to Supplier" (APR 1984).

11. INCORPORATION OF CLAUSES

FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This BPA incorporates the following clauses by reference, with the same force and effect as if they were given in full text. Upon request, the contracting officer will make their full text available.

| | |
|--------------------|---|
| FAR 52.203-3 | GRATUITIES (APR 1984) |
| FAR 52.212-10 | DELIVERY OF EXCESS QUANTITIES (SEP 1989) |
| FAR 52-222-3 | CONVICT LABOR (APR 1984) |
| FAR 52.222-26 | EQUAL OPPORTUNITY (APR 1984) |
| FAR 52.225-11 | RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (MAY 1992) |
| FAR 52.232-1 | PAYMENTS (APR 1984) |
| FAR 52.232-8 | DISCOUNTS FOR PROMPT PAYMENT (APR 1989) |
| FAR 52.232-25 | PROMPT PAYMENT (MAR 1994) |
| FAR 52.233-1 | DISPUTES (DEC 1991) |
| FAR 52.233-3 | PROTESTS AFTER AWARD (AUG 1989) |
| FAR 52.246-1 | CONTRACTOR INSPECTION REQUIREMENTS (APR 1984) |
| FAR 52.246-16 | RESPONSIBILITY FOR SUPPLIES (APR 1984) |
| DFARS 252-204-7003 | CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992) |
| DFARS 252.225-7001 | BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM (DEC 1991) |
| DFARS 252.225-7002 | QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS (DEC 1991) |

NAVSUPINST 4200.85C

DFARS 252-225-7009 DUTY-FREE ENTRY--QUALIFYING COUNTRY AND
PRODUCTS AND SUPPLIES (DEC 1991)

DFARS 252.225-7010 DUTY-FREE ENTRY--ADDITIONAL PROVISIONS
(DEC 1991)

These clauses apply, as appropriate, as indicated under "Notes"
below:

| <u>Clause No.</u> | <u>Clause Title</u> | <u>Clause Date</u> | <u>Notes</u> |
|-------------------|---|--------------------|--------------|
| FAR 52.210-5 | NEW MATERIAL | APR 1984 | 1 |
| FAR 52.222-20 | WALSH-HEALEY PUBLIC CONTRACTS ACT | APR 1984 | 4 |
| FAR 52-222-35 | AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS | APR 1984 | 4 |
| FAR 52.222-36 | AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS | APR 1984 | 2 |
| FAR 52.222-37 | EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERAN OF THE VIETNAM ERA | JAN 1988 | 4 |
| FAR 52.222-40 | SERVICE CONTRACT ACT OF 1965, AS AMENDED- CONTRACTS OF \$2,500 OR LESS | MAY 1989 | 5 |
| FAR 52.222-41 | SERVICE CONTRACT ACT OF 1965, AS AMENDED | MAY 1989 | 2,5 |
| FAR 52.222-42 | STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES | MAY 1989 | 2,5 |
| FAR 52.222-47 | SERVICE CONTRACT ACT MINIMUM WAGES AND FRINGE BENEFITS | MAY 1989 | 2,5,6 |
| FAR 52.222-48 | EXEMPTION FROM APPLICATION OF SERVICE CONTRACT ACT PROVISIONS | MAY 1989 | 2,5,7 |

Notes for application of above clauses incorporated in BPA:

1. Clause applies when calls are placed for the acquisition of supplies or for services that may involve the incidental furnishing of supplies.
2. Clause applies when an individual call exceeds \$2,500.
3. Clause applies when the cumulative total of calls here under exceeds \$2,500.
4. Clause applies when the cumulative total of all calls is anticipated to exceed \$10,000.
5. Clause applies when a call for services is covered by the Service Contract Act of 1965, as amended.
6. Clause applies when the call is a successor to another contract, the contractor is negotiating or has negotiated a collective bargaining agreement, and the wage determination has been requested but not received.
7. Clause applies when the call is for maintenance, calibration or repair of medical, ADP, scientific or office equipment and the contracting officer determines the call is exempt from the Service Contract Act of 1965, as amended.

THE FOLLOWING CLAUSES APPLY ONLY WHEN SPECIFIED IN THE CALL:

| | |
|---------------|--|
| FAR 52.212-9 | VARIATION IN QUANTITY (APR 1984) (____% Increase, ____% Decrease) |
| FAR 52.213-2 | INVOICES (APR 1984) |
| FAR 52.213-3 | NOTICE TO SUPPLIER (APR 1984) |
| FAR 52.232-28 | ELECTRONIC FUNDS TRANSFER PAYMENT METHODS (APR 1989) |
| FAR 52.247-29 | F.O.B. ORIGIN (JUN 1988) |
| FAR 52.247-32 | F.O.B. ORIGIN FREIGHT PREPAID (JUN 1988) |
| FAR 52.247-34 | F.O.B. DESTINATION (NOV 1991) |
| FAR 52.204-3 | TAXPAYER IDENTIFICATION (SEP 1992) |

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| FAR 52.223-3 | HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (NOV 1991) |
| DFARS 252.223-7001 | HAZARDOUS WARNING LABELS (DEC 1991) |
| FAR 52.213-1 | FAST PAYMENT PROCEDURES (AUG 1988) |

BLANKET PURCHASE AGREEMENT LOG

CONTRACTOR: _____

BPA NUMBER:

COMMODITIES: _____

PHONE NO.: _____

SIZE: _____

PAY TERMS: _____

[illegible]

BPA LOG (continued)

[illegible]

BLANKET PURCHASE AGREEMENT (BPA) CALL REVIEW REPORT

ACTIVITY

ACTIVITY WHICH ISSUED BPA (IF OTHER THAN ABOVE)

BPA NUMBER

TOTAL CALLS PLACED DURING
PERIOD REVIEWED

PERIOD COVERED BY REVIEW

DATE OF REVIEW

NOTE: This form is to be used for conducting and reporting the annual review of BPA files required by FAR 13.205.

INSTRUCTIONS: The completed form shall be retained in the BPA file, and, for those BPA's utilized and reviewed by personnel outside the jurisdiction of the command or the contracting office issuing the BPA, a signed copy of the completed form shall be forwarded to the contracting office. If any unsatisfactory conditions are found during the review (as evidenced by a "No" answer below) an explanation must be provided which includes action taken or to be taken to correct the noted condition.

| | | | |
|----|---|-----|----|
| 1. | ARE REGULAR SUPPLY CHANNELS BEING SCREENED PRIOR TO PLACING CALLS (EXCEPT WHERE THE SCREENING REQUIREMENT IS EXPRESSLY WAIVED)? | YES | NO |
| 2. | ARE CALLS BEING PLACED ONLY BY PROPERLY AUTHORIZED PERSONNEL? | | |
| 3. | ARE THE ESTABLISHED MONETARY LIMITATIONS OF DESIGNATED CALLING INDIVIDUALS BEING ADHERED TO? | | |
| 4. | DO INDIVIDUAL CALLS REPRESENT THE TOTAL KNOWN AND FUNDED REQUIREMENTS FOR THE SUPPLIES BEING PURCHASED? (I.E. REQUIREMENTS ARE NOT BEING SPLIT TO CIRCUMVENT ESTABLISHED MONETARY LIMITATIONS.) | | |
| 5. | IS PROPER ATTENTION BEING GIVEN TO PRICING AS EVIDENCED BY THE APPARENT REASONABLENESS OF PRICES PAID? | | |
| 6. | IS THE FILE BEING ADEQUATELY DOCUMENTED, E.G. CALL RECORD INFORMATION AND SIGNATURE JUSTIFICATION FOR EXCEPTION TO MANDATORY SUPPLY SOURCES, AND (FOR CALLS OVER \$1,000.00) RECORD OF FIRMS SOLICITED AND RESPONSES RECEIVED OR JUSTIFICATION FOR SOLE SOURCE? | | |
| 7. | DOES THIS BPA CONTRACTOR APPEAR TO BE RECEIVING AN EQUITABLE PORTION OF THE CALLS OF \$2,500 or less PLACED FOR SUPPLIES IN HIS CATEGORY? | | |

REMARKS

I CERTIFY THAT THE ABOVE LISTED BPA FILE HAS BEEN REVIEWED, AND THE FINDINGS NOTED ABOVE ARE COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

NAME AND TITLE OF REVIEWING OFFICIAL

SIGNATURE

DATE

CHAPTER 7

IMPREST FUND

1. Scope. This chapter provides guidance for the establishment and management of imprest funds by DoN afloat units; and procedures for purchasing supplies or services that shall be paid for with imprest funds.

2. Purpose

a. An imprest fund is a cash fund established by an advance of funds from a ship's disbursing officer to a duly appointed cashier. The purpose of the fund is to simplify and expedite the payment process for some of the ship's purchases by allowing the cashier to disburse cash, normally not exceeding \$500, for supplies or services delivered to the ship or ship's personnel.

b. The purpose of this chapter is to prescribe the conditions for the establishment and use of imprest funds; and to set forth the prohibitions or limitations on the use of this micro-purchase method.

3. Conditions for Use. An imprest fund may be used to pay cash for micro-purchases when all of the following conditions exist:

a. The transaction does not exceed \$500. In support of presidentially declared contingencies, TYCOMs may authorize overseas imprest fund purchases to \$2,500;

b. The use of the imprest fund is considered to be advantageous to the Navy;

c. Supplies or services are available for delivery within 30 days to the ship, or to a ship's representative at the contractor's place of business; and

d. The purchase does not require detailed technical specifications or technical inspection.

4. Establishing the Imprest Fund

a. TYCOM Authorization. Ships may only establish and use the imprest fund method if the TYCOM has approved the use of this method in writing. The TYCOM's letter shall be retained in the Supply Department files.

b. Commanding Officer's Authorization Letter. An authorization letter to establish the ship's imprest fund shall be prepared, citing the maximum amount of the fund, and shall be signed by the Commanding Officer. The original of the letter shall be retained by the imprest fund cashier. A copy of this letter shall be forwarded to the ship's Supply Officer, the Disbursing Officer and the TYCOM, as required. Only one imprest fund may be established on a ship; unless the Commanding Officer requests and the cognizant TYCOM authorizes the establishment of multiple imprest funds. No imprest fund cashier shall have access to, or control of, more than one imprest fund.

c. Fund Amount. The maximum authorized amount of cash in an imprest fund shall be specified by the TYCOM and normally will not exceed \$1,000 (and be no less than \$500). TYCOMs may authorize a ship to have an imprest fund of any amount not exceeding \$5,000 during a ship's overseas deployment in support of presidentially declared contingencies. The original of any authorization letter issued by the Commanding Officer that increases or decreases the amount of the fund shall be retained by the imprest fund cashier with copies forwarded to the Supply Officer, Disbursing Officer and TYCOM, as required.

d. Appointment of the Imprest Fund Cashier.

(1) Any officer or enlisted person may be appointed as the imprest fund cashier; unless the individual:

- (a) Works in the disbursing office;
- (b) Is responsible for originating or approving purchase requests; or
- (c) Is responsible for purchasing the needed supplies or services.

(2) Imprest fund cashiers do not have to be bonded.

(3) The Commanding Officer, or, if designated, the Supply Officer shall appoint the imprest fund cashier in writing. The appointment letter shall contain the information required by DoD 7000.14-R, Financial Management Regulation, Volume 5, Chapter 02. The letter should contain:

- (a) The individual's name, rate, rank and the identification of the department/division he or she is assigned to;

- (b) Identification of disbursing office for which the cashier will act, including the accounting numbers assigned;
- (c) Specific duties to be performed;
- (d) Effective date;
- (e) Maximum amount of the fund; and
- (f) Location of the fund. The imprest fund cashier will be located organizationally and physically where duties can best be accomplished.

(4) The letter of appointment will include the following statement: "I agree to hold myself accountable to the United States for all public funds received"; which the imprest fund cashier must sign to acknowledge his/her acceptance of the cashier duties.

(5) The original of the letter of appointment (and revisions to it or revocation of it) shall be retained by the cashier. A copy of the appointment letter shall be furnished to the Supply Officer and Disbursing Officer.

e. Appointment of an Alternate Cashier. The Commanding Officer or, if designated, the Supply Officer may also appoint an alternate imprest fund cashier. The appointment process is the same as for the principal cashier. The alternate shall only serve as an imprest fund cashier during the absence of the principal cashier. There are two kinds of principal imprest fund cashier absences:

(1) Planned absence. In the event of a planned absence of the principal imprest fund cashier, the principal will advance cash to the alternate in any amount, up to the established limit of the fund. The principal shall receive a receipt for the cash so advanced, and upon return of the principal, shall exchange this receipt for the various subvouchers, vouchers, receipts and residual cash held by the alternate. In short, during a planned absence of the principal cashier, the alternate operates with the principal cashier's fund, as if he/she is the principal.

(2) Unplanned absence. These absences include unexpected sick leave or family emergencies. During these unplanned absences, the alternate cashier will operate as the

principal cashier, but with his/her own funds. The Disbursing Officer will advance to the alternate cashier funds not in excess of the maximum amount of the fund. The alternate may be issued the maximum amount of the established fund even if the principal has the maximum amount already secured in his/her safe. When the unplanned absence ends, the alternate cashier turns in residual cash and other documents supporting and accounting for the expended funds to the Disbursing Officer. The alternate cashier shall not retain any amount of the imprest fund cash when the principal cashier is present.

f. Revisions and Revocation. Revisions to and revocation of the appointment may be at any time. Each of these shall be in writing addressed to the cashier and show an effective date.

g. Record Retention. Imprest Fund authorization, establishment, appointment, revision and revocation letters shall be retained in the Supply Department for a period of not less than five years after the fund is disestablished or the appointee ceases to serve.

h. Advance of Fund to Cashier by Disbursing Officer. Funds to establish an imprest fund shall be advanced by the ship's Disbursing Officer. A signed copy of the letter appointing the imprest fund cashier (or alternate) will be furnished to the Disbursing Officer at the time the imprest fund cashier (or alternate) first obtains funds. The Supply Officer shall also be presented a copy at this time, so the Supply Officer may update the ship's records and notify the ship's buyers and other personnel of who the cashier or alternate is.

i. Safes. The imprest fund cashier and alternate cashier must each have their own safe. Safes must meet security standards prescribed by NAVCOMPT. Only the imprest fund cashier and alternate cashier shall have the combination for their respective safes. The combinations of the safes must be changed every six (6) months and when the appointee(s) are changed.

5. Authorized Uses of the Imprest Fund. Imprest funds may be used to pay for authorized supplies or services under the conditions discussed in paragraph 3. Imprest funds may also be used:

a. To pay for delivery charges associated with the purchase when the contractor is requested to arrange for delivery on a "Cash on Delivery (C.O.D.)" basis; after the